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FISCAL IMPACT REPORT

ORIGINAL DATE 2-7-06

SPONSOR King LAST UPDATED _____ HB 733

SHORT TITLE Torrance County Loan Repayment SB _____

ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$131.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 733 appropriates \$131 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for Torrance County to repay a State Board of Finance (BOF) loan.

FISCAL IMPLICATIONS

The appropriation of \$131 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund. In this instance, the appropriation would be returned to the general fund to retire the BOF loan.

SIGNIFICANT ISSUES

DFA noted that Torrance County appeared before the Board on October 12th, 2004 to make an emergency fund request. The BOF approved the loan with an understanding that the county would seek repayment funds at the 2005 legislative session. The repayment date was April 1, 2005. On May 10th, 2005, Torrance County appeared before the Board of Finance to request the loan be converted to a grant. The Board denied the request and granted an extension of the loan for one year to be repaid on May 10, 2006.

DH/mt